

**CALIFORNIA ENERGY COMMISSION**

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Sacramento, California 95814

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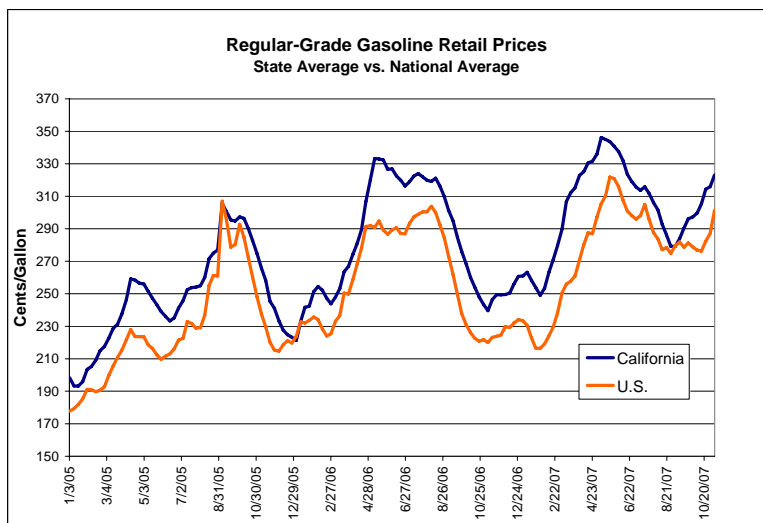
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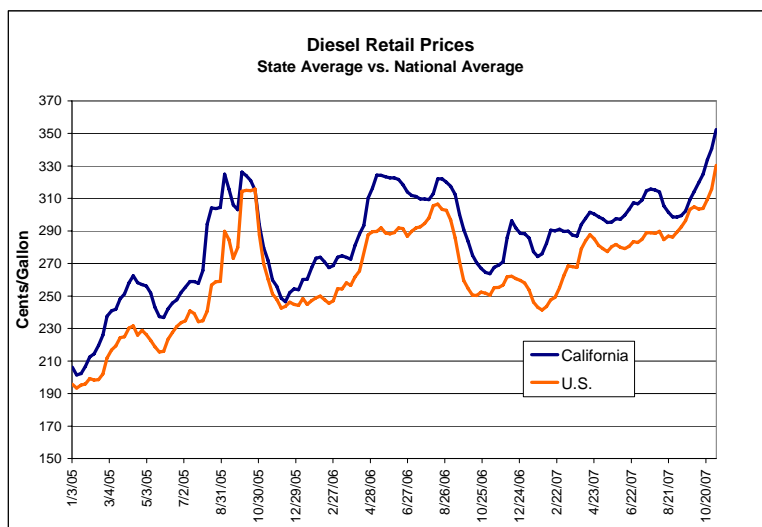
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**Petroleum Watch****November 9, 2007*****Retail Gasoline and Diesel Prices on November 5***

- The average California **retail price for regular-grade gasoline** has increased for the ninth consecutive week, increasing 7 cents from last week to \$3.23 per gallon, 26 cents higher than the last Petroleum Watch on October 1. Prices are 23 cents less than the record high of \$3.46 on May 7 but 84 cents per gallon higher than the same time last year.<sup>i</sup>
- The difference between California and U.S. retail gasoline prices increased 4 cents from our last report on October 1 to 22 cents per gallon. U.S. gasoline prices rose 22 cents since October 1 to \$3.01 per gallon and are 81 cents more than reported this time last year.



- The average California **retail diesel price** rose to \$3.52 per gallon, a record high. Prices are 12 cents more than last week and 38 cents more than our last report on October 1. The U.S. retail diesel price increased 25 cents from October 1 to \$3.30 per gallon, another record high. The difference between California and U.S. prices increased 13 cents since October 1 to 22 cents per gallon.

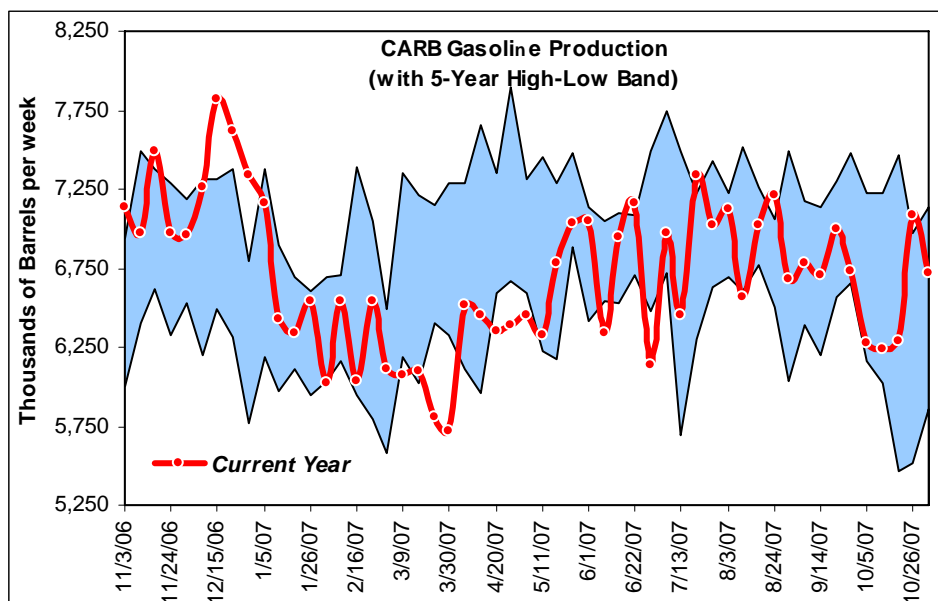


### **Wholesale Gasoline and Diesel Prices on November 6**

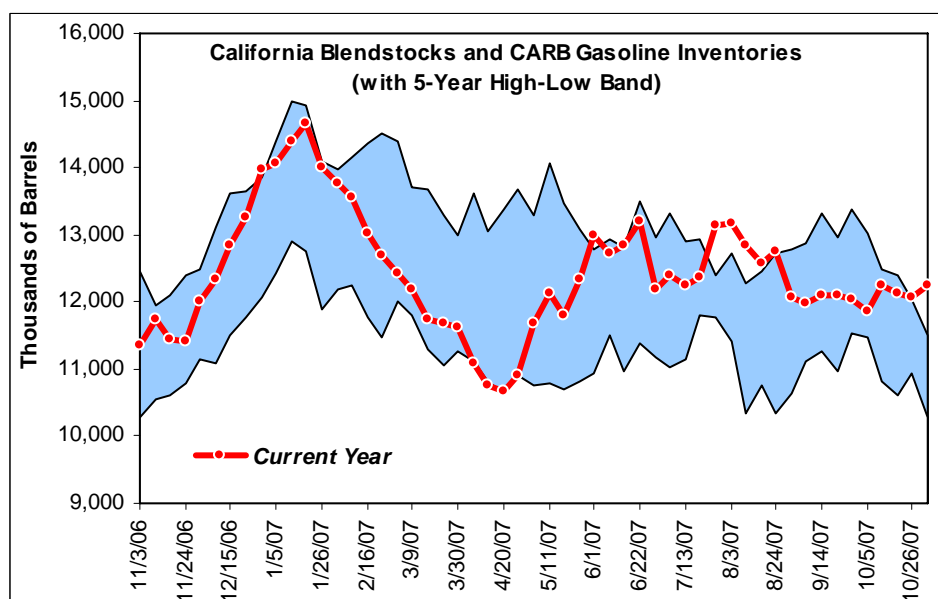
- The record high crude oil prices in recent weeks have increased input costs at California refineries, which pushed wholesale gasoline and diesel prices upward. Planned and unplanned refinery maintenance also contributed to the increase in diesel prices.
- California spot wholesale gasoline prices for regular-grade reformulated blendstock for oxygenate blending (RBOB) increased to \$2.66 per gallon, 46 cents per gallon more than the last Petroleum Watch report for October 2 and 82 cents more than on the same day last year.
- Spot prices for RBOB in Los Angeles are 20 cents per gallon higher than both New York Harbor and the Gulf Coast.
- California spot **wholesale ultra low-sulfur diesel prices** have increased since the last Petroleum Watch report to a **record high** of \$2.81 per gallon, 54 cents more than on October 2 and 93 cents more than the same day last year.
- California wholesale ultra low-sulfur diesel prices are 12 cents per gallon more than both the Gulf Coast and New York Harbor, up from 5 cents more and 6 cents more, respectively, on October 2.
- California spot gasoline prices ended the reporting week at 14 cents less than California diesel, compared to 7 cents less than diesel on October 2.
- The Energy Information Administration's (EIA) weekly report for September 28 shows that **U.S. gasoline demand** increased 0.1 percent from the previous week, while distillate demand increased 2.0 percent from the previous week. The four-week average demand for gasoline is 9.34 million barrels per day, 0.6 percent less than the four-week average at the same time last year. The four-week average for U.S. distillate demand is 4.21 million barrels per day, 5.2 percent less than the same period last year.

## Refinery Production and Inventories

- **Reformulated gasoline production** in California for the week ending November 2 decreased 5.3 percent from the previous week to 6.71 million barrels, 6.0 percent less than a year ago. Production levels fell to near the middle of the five-year range.<sup>ii</sup>

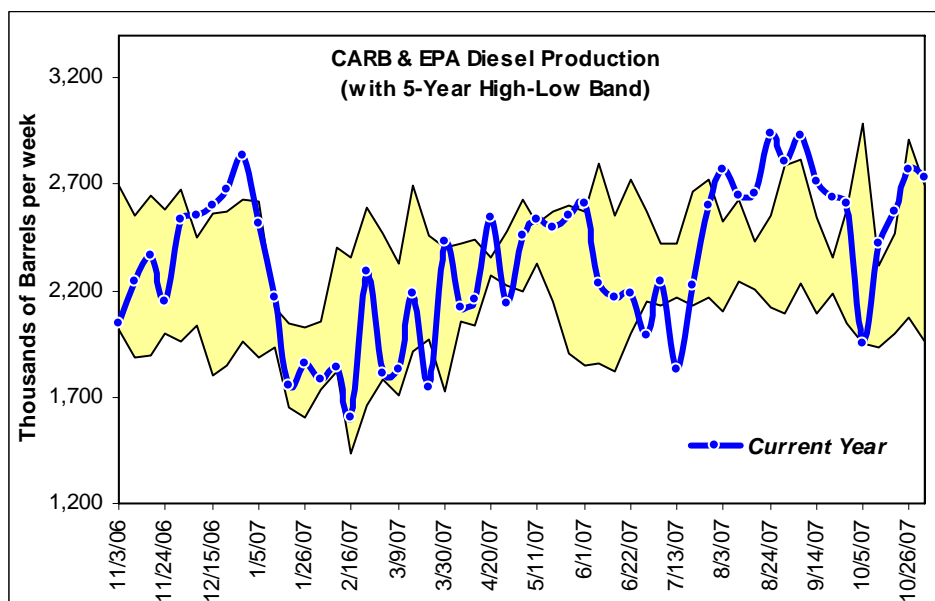


- California reformulated gasoline inventories decreased by 5.5 percent last week while gasoline blendstock inventories rose 6.8 percent. As a result, **combined inventories** of reformulated gasoline and gasoline blendstocks in the state **increased by 1.4 percent** to 12.25 million barrels, well above the five-year range.

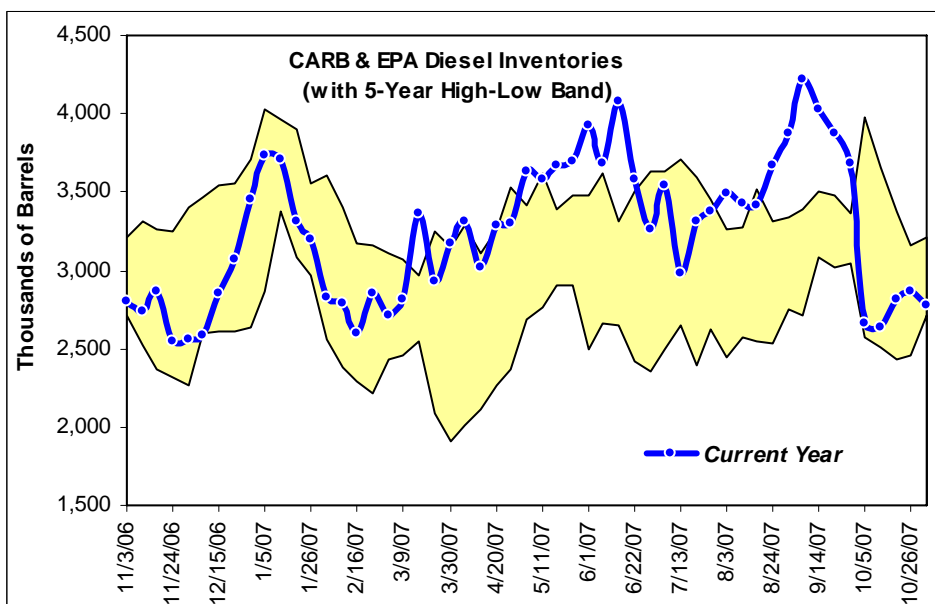


- U.S. gasoline inventories as of November 2 were at 194.3 million barrels, 819,000 barrels less than the previous week. Inventories decreased on the East and Gulf Coasts while increasing on the West Coast during the latest week.

- California **ultra low-sulfur diesel production** during the week ending November 2, including both California diesel and U.S. Environmental Protection Agency (EPA) diesel, fell to 2.74 million barrels, 1.2 percent less than the previous week but still near the top of the five-year range.

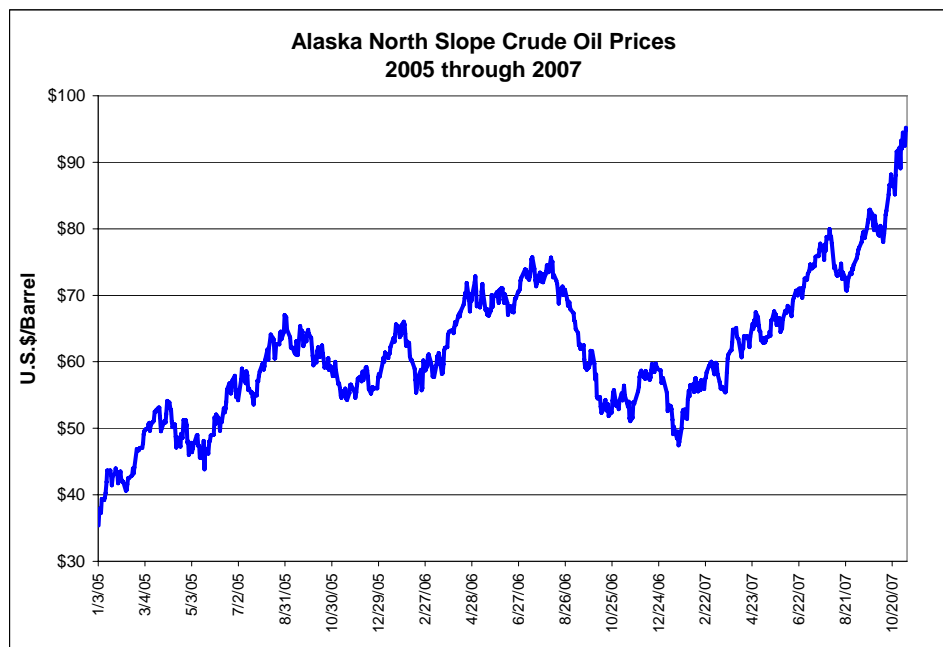


- Combined **ultra low-sulfur diesel inventories** in California decreased 3.1 percent from the previous week to 2.77 million barrels, approaching the bottom of the five-year range. Total U.S. distillate inventories as of November 2 rose to 135.4 million barrels, 98,000 barrels more than the previous week. Inventories decreased slightly on the East and Gulf Coasts but increased slightly on the West Coast from the previous week.



## Crude Oil Prices and Inventories

- Since the October 2007 Petroleum Watch report, West Coast prices for Alaska North Slope (ANS) crude oil, an important refinery feedstock for California, rose to a record high of \$95.20 per barrel on November 6 but retreated to \$94.87 on November 7.<sup>iii</sup> Decreasing U.S. crude oil stocks in recent weeks have tightened the crude oil market, in part due to storm-interrupted oil production and shipments from Mexico and the North Sea. Further dollar depreciation against other currencies and uneasiness over possible aggression toward Kurdish militants in Iraq by Turkey have also put upward pressure on the price of crude oil. On top of this, both the International Energy Agency and the EIA have announced higher expectations for oil prices in their near- and long-term forecasts.



- U.S. commercial crude oil inventories as of November 6 fell by 821,000 barrels from the previous week to 311.9 million barrels. Crude oil stocks are 22.8 million barrels less than this time last year but 5.4 million barrels higher than the five-year average. California crude oil stocks fell 7.4 percent from the previous week to 15.3 million barrels and are 4.6 percent lower than last year.

<sup>i</sup> Spot wholesale and retail gasoline and diesel prices and U.S. crude oil and product inventory estimates are from the Energy Information Administration of the U.S. Department of Energy.

<sup>ii</sup> California refinery production and inventory information is from the Petroleum Industry Information Reporting Act (PIIRA) database maintained by the California Energy Commission.

<sup>iii</sup> ANS crude oil prices are from *The Wall Street Journal*.